

SO ORDERED

Date signed November 10, 2003




PAUL MANNES
U. S. BANKRUPTCY JUDGE

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF MARYLAND
(Greenbelt Division)

In re:

NATIONAL ENERGY & GAS
TRANSMISSION, INC. (f/k/a PG&E
NATIONAL ENERGY GROUP, INC.), *et*
al.

Debtors.

*
* Case No.: 03-30459 (PM) and 03-30461 (PM)
* through 03-30464 (PM) and 03-30686 (PM)
through 03-30687 (PM)
Chapter 11
(Jointly Administered under
* Case No.: 03-30459 (PM))

* * * * *

ORDER UNDER FED. R. BANKR. P. 3003 (c)(3) FIXING
DEADLINE FOR FILING PROOFS OF CLAIM AND APPROVING
FORM AND MANNER OF NOTICE THEREOF

Upon the motion, dated October 17, 2003 (the “Motion”), of the above-captioned debtors and debtors in possession (the “Debtors”),¹ for an order establishing a deadline for the filing of proofs of claims in these cases and approving the form and manner of notice thereof;

¹

The Debtors are the following entities: (i) National Energy & Gas Transmission, Inc. f/k/a PG&E National Energy Group, Inc. (“NEGT”), (ii) NEGT Energy Trading Holdings Corporation f/k/a PG&E Energy Trading Holdings Corporation (“ET Holdings”), (iii) NEGT Energy Trading - Gas Corporation f/k/a PG&E Energy Trading - Gas Corporation (“ET Gas”), (iv) NEGT ET Investments Corporation f/k/a PG&E ET Investments Corporation (“ET Inv.”), (v) NEGT Energy Trading - Power, L.P. f/k/a PG&E Energy Trading - Power, L.P. (“ET Power,” together with ET Holdings, ET Gas and ET Inv., the “ET Debtors,” and collectively with NEGT, the “Initial Debtors”) and (vi) Energy Services Ventures, Inc. f/k/a PG&E Energy Services Ventures, Inc. (“ESV”) and (vii) Quantum Ventures (together with ESV, the “Quantum Debtors”).

and the Court having determined that the relief requested in the Motion is in the best interests of the Debtors, their estates, creditors, and other parties-in-interest; and it appearing that proper and adequate notice of the Motion has been given and that no other or further notice is necessary; and after due deliberation and sufficient cause appearing therefor; it is, by the United States Bankruptcy Court for the District of Maryland, hereby:

ORDERED, ADJUDGED AND DECREED THAT

1. The Motion is GRANTED.
2. All capitalized terms used in this Order have the meaning given to them in the Motion unless otherwise provided in this Order.
3. The deadline for filing proofs of claims in these cases is January 9, 2004 (the "Bar Date").
4. The notice of the Bar Date, substantially in the form attached hereto as Exhibit A (the "Bar Date Notice"), and the manner of providing notice of the Bar Date, as set forth in the Motion and this Order, are approved and are deemed to satisfy the applicable provisions of the Bankruptcy Code, the Bankruptcy Rules and the Local Rules of this Court.
5. The Debtors shall serve by first-class mail, on or before November 20, 2003, the following documents: (i) the Bar Date Notice; and (ii) a proof of claim form, substantially in the form of Official Bankruptcy Form No. 10. The following creditors or potential parties shall receive notice:
 - (i) the U.S. Trustee;
 - (ii) each member of the Committees appointed in these chapter 11 cases and the attorneys for the Committees;
 - (iii) all known holders of claims listed on the Schedules at the addresses stated therein;
 - (iv) all parties known to the Debtors as having potential claims against the Debtors' estates but who are not listed on the Schedules;

- (v) all counterparties to the Debtors' executory contracts and unexpired leases listed on the Schedules at the addresses stated therein;
- (vi) all state attorneys general and state departments of revenue for states in which the Debtors conduct business; and
- (vii) all parties to whom the Debtors are required to give notice pursuant to this Court's Order for Complex Chapter 11 Bankruptcy Cases dated July 9, 2003.

6. Except as provided in Paragraphs 9 and 11 below, proofs of claim shall be accompanied by supporting documentation or, if voluminous, a summary thereof, and may be submitted in person or by courier service, hand delivery or mail. Facsimile submissions will not be accepted.

7. The following persons or entities are **not** required to file a proof of claim on or before the Bar Date:

- a. any affiliate of the Debtors except for the affiliates listed below (i.e., the affiliates listed below must file a proof of claim on or before the Bar Date):
 - Attala Power Corporation
 - Attala Generating Company, LLC
 - Attala Energy Company, LLC
 - Pacific Gas and Electric Company
 - PG&E Corporation
 - PG&E National Energy Group, LLC
 - Pittsfield Generating Company, L.P
- b. any current employee of the Debtors or non-debtor subsidiaries of NEGTT (i.e., employees of (i) Power Services Company, (ii) PG&E Gas Transmission Service Company, LLC, (iii) USG Services Company, LLC, and (iv) NEGTT Services Company) regarding a claim arising in the ordinary course of their employment with the Debtors or the Company (e.g., for wages, PTO, ordinary course bonuses, etc.);
- c. any person or entity that has already properly filed, with the Clerk of the United States Bankruptcy Court for the District of Maryland (Greenbelt Division), a proof of claim against the correct Debtor utilizing a claim form that substantially conforms to Official Form No. 10;

- d. any person or entity (i) whose claim is listed on the correct Debtor's Schedules, (ii) whose claim is not described as "disputed," "contingent," or "unliquidated," (iii) who does not dispute the specific Debtor against which such person's or entity's claim is listed and (iv) who does not dispute the amount or type (i.e., secured, priority unsecured or non-priority unsecured) of the claim for such person or entity as set forth in the Schedules;
- e. any person or entity whose claim has been paid or otherwise satisfied by the Debtors;
- f. any person or entity that holds a claim that has been allowed by an order (other than an order allowing such claim for voting purposes) of this Court entered on or before the Bar Date;
- g. any person or entity holding a claim allowable under Sections 503(b) and 507(a) of the Bankruptcy Code as an expense of administration, including, but not limited to, claims for professional and expert compensation; and
- h. any person or entity holding a claim which is limited exclusively to the repayment of principal, interest, and/or other applicable fees and charges (an "NEGT Note Claim") arising from any bond, note or debenture related to the NEGТ indenture dated May 22, 2001 (the "NEGT Indenture"); provided, however, that (A) the foregoing exclusion in this subparagraph (h) shall not apply to the NEGТ indenture trustee (the "NEGT Indenture Trustee"), and (B) any former or current holder of an NEGТ Note Claim wishing to assert a claim, other than an NEGТ Note Claim, arising out of or relating to the NEGТ Indenture or related notes, that arises out of or relates to the ownership or purchase of an NEGТ Note or the NEGТ Indenture, including, but not limited to, claims arising out of or relating to the purchase, sale, issuance, or distribution of an NEGТ Note or the NEGТ Indenture, any damages claim under applicable securities law or any claim pursuant to Section 510(b) of the Bankruptcy Code, must file proofs of claim on or before the Bar Date unless another exception identified herein applies.

8. Any claim respecting the postpetition rejection of an unexpired lease or executory contract of the Debtors (an "Agreement") would be required to be filed by the later of:

(a) thirty (30) days after the date of any order authorizing the Debtors to reject such Agreement;

and (b) the Bar Date, unless the Order authorizing the rejection of such Agreement provides for a different date in which case such date shall govern in all respects. However, if an Agreement is not rejected or assumed prior to the time such Agreement expires, such claims must be filed by

the later of: (i) the Bar Date; and (ii) thirty (30) days after such date of expiration. Any other claims respecting a lease or contract would be required to be filed by the Bar Date.

9. The NEGТ Indenture Trustee, Wilmington Trust Company, is authorized to file a single master proof of claim, as applicable, related to the repayment of principal, interest, fees, attorneys fees, costs, expenses and other contractual obligations in respect of the NEGТ senior subordinated notes (the “NEGТ Notes”) issued pursuant to the NEGТ Indenture; provided, however, that, except to the extent otherwise authorized under applicable law, the NEGТ Indenture Trustee shall not be authorized to file a proof of claim relating to the NEGТ Indenture or the NEGТ Notes that arises out of or relates to the ownership or purchase of the NEGТ Notes, including, but not limited to, claims arising out of or relating to the purchase, sale, issuance, or distribution of the NEGТ Notes, any damages claim under applicable securities law or any claim pursuant to Section 510(b) of the Bankruptcy Code. The NEGТ Indenture Trustee shall not be required to attach supporting documentation with respect to its proof(s) of claim. Beneficial holders of the NEGТ Notes shall not be required to file a proof of claim for principal, interest, fees, attorneys fees, costs, expenses and other contractual obligations in respect of the NEGТ Notes, to the extent such claim is covered by a master proof of claim filed by the NEGТ Indenture Trustee.

10. Each of the following administrative agents (each an “Administrative Agent” and collectively, the “Administrative Agents”) under the applicable credit agreement (each a “Prepetition Facility”) explicitly is authorized to file a single proof of claim (the “Master Proof of Claim”) on behalf of each and all lenders under such agreements for claims for principal, interest, fees, attorneys fees, costs, expenses and other contractual obligations owing to such lenders (including their agents, arrangers, managers and representatives) under:

- Company Credit Agreement. That certain credit facility dated August 22, 2001, as amended from time to time, between and among NEGT, Chase Manhattan Bank, as administrative agent, and the financial institutions party thereto.
- GenHoldings Credit Facility. That certain credit facility dated as of March 15, 2002, as amended from time to time, between and among GenHoldings I, LLC, Société Générale, as administrative agent, and the financial institutions party thereto, and the related NEGT equity contribution guarantee.
- La Paloma Project Facility. That certain credit facility dated March 7, 2000, as amended from time to time, between and among La Paloma Generating Company, LLC, Citibank, N.A., as administrative agent, and the financial institutions party thereto, and guaranteed by NEGT.
- Lake Road Project Facility. That certain credit facility dated August 28, 1999, as amended from time to time, between and among Lake Road Generating Company, L.P., Citibank, N.A., as administrative agent, and the financial institutions party thereto, and guaranteed by NEGT.
- Construction Facility. That certain credit facility dated as of May 29, 2001, as amended from time to time, between and among National Energy Construction Company, LLC f/k/a PG&E National Energy Group Construction Company, LLC, Société Générale, as administrative agent, and the financial institutions party thereto, and guaranteed by NEGT.

11. With respect to any Master Proof of Claim, no Administrative Agent shall be required to attach supporting documentation.

12. If the Debtors amend the Schedules subsequent to the date hereof, the Debtors shall give notice of such amendment to the holders of the Claims affected thereby and such holders shall be afforded thirty (30) days from the date on which such notice is given (or such other time period as may be fixed by the Bankruptcy Court) to file proofs of claim, if necessary, or forever be barred from doing so and the affected Claim shall be forever discharged, except as scheduled in the amendment.

13. Any claim holder required by this Order to file a proof of claim that fails to file its proof of claim on or before the Bar Date shall be forever barred, estopped, and permanently enjoined from: (i) asserting such claim, whether directly or indirectly, against the Debtors, their successors and assigns and their respective property (or filing a proof of claim with respect thereto); (ii) voting to accept or reject any chapter 11 plan or participating in any distribution in these chapter 11 cases on account of such claim; and (iii) receiving further notices regarding such claim.

14. Each proof of claim filed must: (i) be written in English; (ii) be denominated in lawful currency of the United States; (iii) conform substantially with the Proof of Claim Form attached to the Motion as Exhibit B; (iv) indicate the Debtor(s) against which the creditor is asserting a claim; and (iv) be signed by the claimant or, if the claimant is not an individual, by an authorized agent of the claimant.

15. All proofs of claim filed shall be addressed to:

For By-Hand and Overnight Courier Delivery:

National Energy & Gas Transmission, Inc.
Claims Processing
c/o Bankruptcy Services LLC
757 Third Avenue, Third Floor
New York, NY 10017

For First Class Mail Delivery:

National Energy & Gas
Transmission, Inc. Claims
Processing
P.O. Box 5070
FDR Station
New York, NY 10150-5070

16. Proofs of claim shall be deemed filed only when received at one of the above-referenced addresses. Creditors shall not be entitled to file proofs of claim by facsimile, telecopy or electronic mail transmission.

17. The Debtors' compliance with Local Bankruptcy Rule 2081-1 shall be satisfied by the Debtors serving a Notice to Creditors with Disputed, Contingent, Unliquidated and/or Unfixed Claims on each of those creditors so scheduled in the Debtors' Schedules by first class mail on or before November 20, 2003.

18. The Debtors, or their agent, shall cause notice of the Bar Date to be published on or before November 20, 2003, in the national edition of The Wall Street Journal and The Washington Post.

19. Nothing in this Order shall be deemed to prejudice the rights of the Debtors or any other party in interest to dispute, or to assert offsets or defenses to, any claim as to amount, liability, classification or otherwise, or to designate subsequently any claim as disputed, contingent, or unliquidated.

20. The Debtors are authorized to take such actions as may be reasonable to implement and effectuate the terms of this Order, including, but not limited to, incurring and paying all expenses associated with providing the notices described herein.

21. This Court shall retain jurisdiction over any and all matters arising from or related to the implementation or interpretation of this Order.

END OF ORDER

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